

Hearing Date and Time: July 26, 2013 at 10:00 a.m. (Prevailing Eastern Time)

KRAMER LEVIN NAFTALIS & FRANKEL LLP

Kenneth H. Eckstein

Douglas H. Mannal

1177 Avenue of the Americas

New York, New York 10036

Telephone: (212) 715-9100

Facsimile: (212) 715-8000

*Counsel for the Official Committee
of Unsecured Creditors*

WILMER CUTLER PICKERING HALE AND DORR LLP

William J. Perlstein

1875 Pennsylvania Avenue NW

Washington, DC 20006

Telephone: (202) 663-6000

Facsimile: (202) 663-6363

*Special Counsel for the Official Committee
of Unsecured Creditors*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

----- X
In re: : Chapter 11
: :
RESIDENTIAL CAPITAL, LLC, et al., : Case No. 12-12020 (MG)
: :
Debtors. : Jointly Administered
: :
----- X

**STATEMENT OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
IN SUPPORT OF DEBTORS' MOTION FOR AN ORDER PURSUANT TO
BANKRUPTCY RULE 9019 AND BANKRUPTCY CODE SECTION 363(b)(1)
AUTHORIZING THE DEBTORS TO ENTER INTO AND PERFORM UNDER
AMENDMENT TO CONSENT ORDER**

TO THE HONORABLE MARTIN GLENN
UNITED STATES BANKRUPTCY JUDGE:

The Official Committee of Unsecured Creditors (the "Committee") of the above-captioned debtors and debtors-in-possession (collectively, the "Debtors") hereby files this

statement in support of the Debtors' Motion (the "Motion")¹ for an order authorizing the Debtors' entry into and performance under the proposed amendment to the Debtors' Consent Order ("Consent Order") with the Federal Reserve Board ("FRB") and the Federal Deposit Insurance Corporation dated April 13, 2011 (the "Consent Order Amendment").

1. The Consent Order Amendment will permit the Debtors to discontinue the wasteful expenditure of administrative funds caused by the Consent Order. As the Court is aware, these expenses have far exceeded any reasonable estimate of harm caused to borrowers. The Committee has opposed these expenditures throughout these cases and taken an active role in supporting the Debtors' efforts to terminate them, both through litigation and through negotiation with the FRB.

2. The Consent Order Amendment was made possible as a result of the global settlement reached among the major creditor constituencies embodied in the plan support agreement ("PSA") [Dkt. No. 3814, Ex. 3] and proposed Chapter 11 Plan (the "Plan") [Dkt. No. 4153]. Although the Committee agrees with the Debtors' contentions in the Classification Motion opposing the position of the FRB, the issues surrounding the Consent Order are complex and would require substantial time to litigate through the appellate process. Therefore, consistent with the requirements under the PSA, the Committee supports the Consent Order Amendment.

3. The Committee agrees with the Debtors' judgment that, in light of the PSA and Plan, the Consent Order Amendment is the best available means of ending the expenditure, and that the Consent Order Amendment will result in a greater distribution of funds to borrowers than any other available solution. The Committee has actively participated with the Debtors in seeking the most favorable terms possible through negotiations with the FRB and agrees that the

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

Consent Order Amendment represents the best achievable outcome. The continued expenditure of funds while litigating this matter with the FRB would not be in the interests of creditors. For all of these reasons, the Committee urges the Court to grant the Motion.

Dated: New York, New York
July 24, 2013

KRAMER LEVIN NAFTALIS & FRANKEL LLP

/s/ Kenneth H. Eckstein
Kenneth H. Eckstein
Douglas H. Mannal

1177 Avenue of the Americas
New York, New York 10036
Telephone: (212) 715-9100
Facsimile: (212) 715-8000
*Counsel for the Official Committee
of Unsecured Creditors*

WILMER CUTLER PICKERING HALE AND
DORR LLP

/s/ William J. Perlstein
William J. Perlstein

1875 Pennsylvania Avenue NW
Washington, DC 20006
Telephone: (202) 663-6000
Facsimile: (202) 663-6363
*Special Counsel for the Official Committee
of Unsecured Creditors*